BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2002-243-W - ORDER NO. 2002-776

NOVEMBER 4, 2002

| IN RE: | Application of AAA Utilities, Inc. for |) | ORDER APPROVING |
|--------|---|---|------------------|
| | Approval of an Extension of its Service Area |) | EXTENSION OF JOE |
| | to Include Spring Hill Road in Rockford Place |) | SERVICE AREA |
| | Subdivision and Chasehunt Farms III and IV |) | |
| | Subdivision in West Columbia, South |) | |
| | Carolina. |) | |

This matter comes before the Public Service Commission of South Carolina ("Commission") on the application filed by AAA Utilities, Inc. seeking approval of an extension to its authorized service territory. By its application, AAA Utilities seeks an extension of its authorized service territory to include Chasehunt Farms III and IV near Floyd Street and Lindy Lane in West Columbia, South Carolina and to include Spring Hill Road in the Rockford Place Subdivision in West Columbia, South Carolina.

In seeking an extension of its service territory to include Spring Hill Road in Rockford Place Subdivision, AAA Utilities advises the Commission that it currently owns and operates the system in Rockford Place Subdivision in West Columbia. AAA Utilities indicates that 56 lots for the Spring Hill Patio Homes will be served by the requested extension of service area. There are presently no customers in the area which is the subject of the requested extension of service area.

With regard to the requested extension of service area to include Chasehunt Farms III and IV, AAA Utilities advises the Commission that Chasehunt Farms III and IV is a new subdivision and system currently under construction. At present there are no

customers in the area which AAA Utilities seeks to include in its service territory. AAA Utilities will own and operate the water system in Chasehunt Farms III and IV. AAA Utilities provided documentation of the request for service from David Lucas of Pine Ridge Development Corp. In the request for service, Mr. Lucas stated that U.S. Utilities was the nearest provider but the system of U.S. Utilities did not have the capacity to serve any properties outside the existing undeveloped lots in the Charwood Subdivision. AAA Utilities also provided a copy of the construction permit and temporary operating permit issued by the South Carolina Department of Health and Environmental Control ("SC DHEC").

AAA Utilities requested waiver of any notice and hearing requirements related to its requests for extension of its service area. AAA Utilities states that there are no customers presently living in the subdivisions which are the subject of the requested territory extensions. Further, AAA Utilities has provided documentation from David Lucas of Pine Ridge Development Corp. requesting water service from AAA Utilities. The subdivisions for which extension of service area are requested are in close proximity to areas presently served by AAA Utilities. The 56 lots for the patio homes on Spring Hill Road in the Rockford Place Subdivision are across a fairway of the golf course from existing AAA Utilities' service area. AAA Utilities also requests that it be allowed to charge the currently approved rates and charges for service furnished to customers in the areas for which extension of service area is sought. The Commission notes that AAA Utilities' currently approved rates and charges were approved by Commission Order No. 95-1579, dated October 23, 1995, Docket No. 94-278-W/S.

26 S.C. Code Regs. 103-704 (Supp. 2001) provides that "no existing public utility supplying water to the public ... shall hereafter sell, acquire, transfer, begin the construction or operation of any utility system, or any extension thereof, ... without first obtaining from the Commission a certificate that the sale, transfer, or acquisition is in the public interest, or that public convenience and necessity require or will require construction or operation of any utility system, or extension." Although 26 S.C. Code Regs. 103-504 (Supp. 2001) also provides for notice and due hearing, 26 S.C. Code Regs. 103-501(3) (1976) provides that "in any case where compliance with any of these rules and regulations introduces unusual difficulty, such rules or regulations may be waived by the Commission upon a finding by the Commission that such waiver is in the public interest." Where extensions to service territory have been sought by a utility due to a potential customer or customers seeking the service from the utility, this Commission notes that it has previously waived notice and hearing on such extensions as part of the public interest.

In the instant matter, the Pine Ridge Development Corp. requested service from AAA Utilities. The property to be served is adjacent to or in close proximity to AAA Utilities' existing service area. Upon examining the request to extend AAA Utilities' service area to serve Chasehunt Farms III and IV near Floyd Street and Lindy Lane in West Columbia, South Carolina and Spring Hill Road in the Rockford Place Subdivision in West Columbia, South Carolina, the Commission finds waiver of the portions of 26 S.C. Code Regs. 103-704 (Supp. 2001) requiring notice and hearing to be in the public interest. The developer has requested service from AAA Utilities and at this juncture is

the only customer impacted by the requested extension. Further, as the developer has initiated the request for service, the developer is aware of the provider and the rates of the utility and has indicated a need for the service by his request. Accordingly, we find that the public convenience and necessity requires the requested extension of the AAA Utilities' service area.

IT IS THEREFORE ORDERED THAT:

- 1. The request of AAA Utilities to waive notice and hearing of AAA Utilities' request for an extension of its service area to include Chasehunt Farms III and IV near Floyd Street and Lindy Lane in West Columbia, South Carolina and Spring Hill Road in the Rockford Place Subdivision in West Columbia, South Carolina is granted upon the finding of this Commission that the requested waivers are in the public interest.
- 2. The Application of AAA Utilities to extend its service area to include Chasehunt Farms III and IV near Floyd Street and Lindy Lane in West Columbia, South Carolina and Spring Hill Road in the Rockford Place Subdivision in West Columbia, South Carolina is granted upon the finding of this Commission that the public convenience and necessity requires the extension of AAA Utilities' service area.

3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Mignon L. Clyburn

Chairman

ATTEST:

Gary E. Walsh

Executive Director

(SEAL)